Corporate social responsibility for a sustainable inclusive growth in India

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Corporate Social Responsibility (CSR), Inclusive growth and Sustainability are essential aspects of the core strategy and business practices for cutting edge organizations. Sustainable development and CSR as an agenda, have matured rapidly, and is driven by demand for greater accountability by corporate to society in India. Views on corporate responsibility have contributed to mounting pressure on business to demonstrate its social accountability. The paper is aimed at formulating a conceptual framework for sustainable inclusive growth and also elaborates the CSR areas of Oil and Gas Central Public Sector Enterprises (CPSE’s) in India for sustainable inclusive growth. The paper is based on secondary data and focuses on highlighting the CPSE approaches to CSR in the pre and post implementation of CSR guidelines in India. The paper also discusses cases demonstrating innovation by Indian companies to bring in sustainable inclusive growth.

Keywords: Corporate social responsibility, inclusive growth, business sustainability, sustainable development

Introduction

“The top one percent people have the best houses, the best education, the best doctors, and the best lifestyles, but there is one thing that money does not seem to have bought: an understanding that their fate is bound up with how the other 99 percent live. Throughout history, this is something that the top one percent eventually do learn. Too late”.

- Joseph Stiglitz
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Corporate Social Responsibility (CSR) as agenda has matured rapidly, driven by demand for greater accountability by corporate to society. View on corporate responsibility has contributed to mounting pressure on business to demonstrate its social accountability. CSR has been explained by numerous researchers and practitioners in their own way and convenience. Yet, the fulcrum of the practice of CSR in organizations extends corporate obligations to include multiple stakeholders such as shareholders, workers, the community, and the natural environment and the outcomes of policies and programs directed toward those relationships (Clarkson, 1995; Donaldson & Preston, 1995). Hopkins (1998) has expressed CSR concept being concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially and responsibly will increase the human development of stakeholders both within and outside the organizations.

The province of corporate social responsibility with the effort to bring India’s geographically remote and low-income groups into the mainstream of economic life now has the potential to become the most valuable business opportunity of the next decade. The time is just right for companies to pursue aggressively the agenda of inclusive growth. The 11th Plan defines inclusive growth to be ‘a growth process which yields broad-based benefits and ensures equality of opportunity for all’. Inclusive growth for India needs to be assessed from every perspective: personal, societal, cultural, and economic. Inclusiveness is benchmarked against achievement of monitorable targets related to (i) income and poverty, (ii) education, (iii) health, (iv) women and children, (v) infrastructure and (vi) environment.

This paper shares a conceptual framework where an attempt has been made to ignite thoughts on the role of organizations to initiate CSR practices for inclusive growth. The paper shares the CSR areas with respect to oil and gas sector Central Public Sector Enterprises (CPSEs) and tries to link it with the sustainability framework developed. The paper identifies the CSR areas where corporate can take numerous initiatives leading it to sustainable development.

Objectives

The objective of the paper is to provide a framework on the role of corporate in ensuring a sustainable tomorrow through inclusive growth. The paper also discusses the CSR guidelines and shares its impact on the way CSR is practiced by Indian companies. An attempt has been made to elaborate the CSR areas where the corporate can take numerous initiatives leading it to sustainable development. Case studies on inclusive growth through CSR have also been discussed as part of the paper.
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Methodology

This paper shares a conceptual framework based on the previous literature. Secondary information on CSR approaches and practices has been referred from previous published works in reports, journals, magazines and books. The various CSR guidelines applicable to Indian companies have been explained in details. An attempt has also been made to share the reflection on the CSR approach of CPSEs in India Pre and Post implementation of CSR guidelines. The CSR initiatives of the nine Oil and Gas CPSEs in India have been studied to reflect the areas of concern that needs more focus. Documents such as annual reports, CSR initiatives of company, sustainability reports, CSR policy document and sustainability policy document was studied to gain a complete insight on the CSR practices of Oil and Gas CPSEs in India.

CSR initiatives of the following nine companies have been studied- Oil and Natural gas Corporation Ltd (ONGC), Indian Oil Corporation Ltd (IOCL), Oil India Ltd (OIL), Bharat Petroleum Corporation Ltd (BPCL), Hindustan Petroleum Corporation Ltd (HPCL), Gas Authority of India Ltd (GAIL), Numaligarh Refinery Ltd (NRL), Chennai Petro Chemicals Ltd (CPCL) and Mangalore Refineries Petrochemical Limited (MRPL).

Inclusive growth, CSR and sustainable development

As the Indian economy continues to grow, we need to ensure that this growth is sustainable and inclusive. To develop successfully, India needs to ensure that its babies grow up into healthy children, attend school and become productive adults with full access to financial services. These elements are all interconnected and without healthy children, there will be no future consumers. Without education, there will be no future talent pool. Without secure jobs and a far-reaching breadth of financial services, India has little chance of achieving economic security. Societal growth and economic growth are intertwined, and must develop simultaneously. If the people of a society are not benefitting or gaining access to the growth of the country, the economic development will be unsustainable or short-lived. The various attributes of inclusive growth are:

**Opportunity:** Is the economy generating more and varied ways for people to earn a living and increase their income over time?

**Capability:** Is the economy providing the means for people to create or enhance their capabilities in order to exploit available opportunities?

**Access:** Is the economy providing the means to bring opportunities and capabilities together?

**Security:** Is the economy providing the means for people to protect themselves against a temporary or permanent loss of livelihood?
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‘United Nations’ (UN) studies and many others have underlined the fact that humankind is using natural resources at a faster rate than they are being replaced. If this continues, future generations will not have the resources they need for their development. In this sense, much of current development is unsustainable—it can’t be continued for both practical and moral reasons.

Related issues include the need for greater attention to poverty alleviation and respect for human rights. CSR is an entry point for understanding sustainable development issues and responding to them in a firm’s business strategy. Sustainability has taken on new urgency on the global agenda. While CSR and sustainability are not one and the same, it has become increasingly clear that businesses, governments and citizens all have an interconnected stake in the health and well-being of the planet as well as its people. Sustainability involves numerous interconnected issues like acquisition and use of energy to fuel productive economies, to the impact of economic growth on local and regional environments and living conditions, to access clean and abundant water and other natural resources. The social responsibility charted by the Prime Minister of India in May 25, 2007 highlights CSR, sustainability and inclusive growth is as - have healthy respect for your workers and invest in their welfare; it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions; industry must be proactive in offering employment to the less privileged, at all levels of the job ladder; resist excessive remuneration to promoters and senior executives and discourage conspicuous consumption; invest in people and their skills; desist from non-competitive behaviour; invest in environment-friendly technologies; promote enterprise and innovation, within your firms and outside; fight corruption at all levels; and promote socially responsible media.

Though, sustainability involves money, infrastructure, skills, social systems and natural resources yet, the contribution to sustainability is strongly based on sustainable business. The existence of business is based on profit and without profit no organization can contribute to the social development. Thus, the need for business sustainability is as essential as governments’ role in establishing sustainable inclusive growth.

CSR guidelines applicable to Indian Companies

Department of Public Enterprises (DPE) Guidelines on CSR

The DPE in India has come up with its comprehensive guidelines on Corporate Social Responsibility in March, 2010 vide F. No. 15 (3)/2007 -DPE (GM) GL 99 dt: 9th April 2010 for the Central Public Sector Enterprises in India with respect to the concept, planning, research, documentation, advocacy, promotion, funding aspects, documentation and monitoring the CSR activities. The concept of CSR as per the guidelines emphasized on sustainable development and states that CSR is a company’s commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This
commitment is beyond statutory requirements. Corporate social responsibility is, therefore, closely linked with the practice of Sustainable Development.

Department of Public Enterprise has issued the revised guidelines on Corporate Social Responsibility and Sustainability for CPSEs only implemented from 1st April, 2013. The earlier DPE guidelines focused mainly on CSR activities for external stakeholders i.e. how social causes and environmental concerns could be addressed through CSR projects funded by an earmarked budget for this purpose. Whereas, in the revised guidelines, CSR and Sustainability agenda is perceived to be equally applicable to internal stakeholders (particularly, the employees of a company), and a company’s corporate social responsibility is expected to cover even its routine business operations and activities. Accordingly, under the revised guidelines, CPSEs are expected to formulate their policies with a balanced emphasis on all aspects of CSR and sustainability - equally with regard to their internal operations, activities and processes, as well as in their response to externalities.

CSR and sustainable development were treated as two separate subjects and consequently, dealt with separately for the purpose of Memorandum of Understanding (MoU) evaluation in the earlier guidelines. This reportedly posed practical difficulties for CPSEs in deciding in which category to report their sustainability initiatives, with both the departments in the organization making competing claims for credit for such work. Hence, in line with the international practice, in the revised guidelines CSR and Sustainable Development have been clubbed together in one set of guidelines for CSR and Sustainability.

Provisions on CSR in Companies Bill, 2012

Clause 135 (under chapter IX- Accounts of companies) of the Companies Bill 2012 deals with CSR provisions. Clause 135 contains 5 sub-clauses on CSR. Schedule VII of the Companies Bill lists out the CSR activities. The purposes of the provisions are - to create an enabling environment; to allow corporate to harness and channelize their core competencies as well as develop effective business models; to promote and facilitate far better connect between businesses and communities; to facilitate deeper thought and longer term strategies for addressing some of our most persistent social, economic and environmental problems; and to assist in synergizing partnerships between Corporate, Governments, Civil Society Organizations, Academic Institutions and Social Entrepreneurs.

Clause 135 (5) - CSR expenditure/ Mandatory CSR spending makes some mandatory provisions for companies. The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy; provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR; provided further that if the company fails
to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of
section 134, specify the reasons for not spending the amount. Average net profit shall be calculated
in accordance with the provisions of section 198.

*The Social, Environmental & Economic Responsibilities of Business (July 2011)*

The Ministry of Corporate Affairs (MoCA) had released Voluntary Guidelines on CSR in 2009 as
the first step towards mainstreaming the concept of business responsibilities. Keeping in view the
feedback from stakeholders, it was decided to revise the same with a more comprehensive set of
guidelines that encompasses social, environmental and economical responsibilities of business.
The Guidelines are applicable to all such entities, and are intended to be adopted by them
comprehensively, as they raise the bar in a manner that makes their value creating operations
sustainable. It needs to be emphasized that all Principles are equally important and non-divisible –
this implies that if a business endeavors to function responsibly, it would have to adopt each of the
nine (9) principles in totality rather than picking and choosing what might suit them.
The Guidelines have been articulated in the form of nine (9) Principles with the Core
Elements to actualize each of the principles. It urges businesses to embrace the “triple bottom-line”
approach whereby its financial performance can be harmonized with the expectations of society,
the environment and the many stakeholders it interfaces with in a sustainable manner.

**CSR strategies: Towards sustainable inclusive growth**

Follow are the various strategies which governs the way CSR is practiced in organizations.

**CSR a way of winning favor with government**

Most organizations view CSR as a part of their existence and involve critically for sustainable
tomorrow yet, many smaller organizations view CSR as a part of reaching out to governmental
favours like tax rebate. Suggestions from various commentators includes that in countries where
tax rebates are not initiated, companies that can show evidence of an effective CSR programme can
be given a tax credit or rebate as distinct from reliefs for specific forms of CSR (William, 2007).

**CSR as part of a marketing strategy**

Kotler and Lee (2005) have explained that marketing benefits are numerous as well, with the
potential of the increasing community goodwill, creating brand preference, building brand
positioning, improve product quality and increasing corporate respect. Though organizations are
aware that CSR is a voluntary act yet, the hidden agenda behind CSR activities in many cases is a
marketing tool. CSR is sometimes treated as being no different from image building but such an approach is short-sighted and therefore not a good part of corporate governance. Researchers have discussed that organizations with larger marketing budgets should not focus on CSR to achieve marketing goals (Barone et al., 2000), but only as a means to long-run sustainability (Porter & Kramer, 2007). Researchers have proved that organizations practicing CSR automatically experience following benefits (Cone Inc. 1993): increased sales and market share; strengthened brand positioning; enhanced corporate image and clout; increased ability to attract; motivate and retain employees; decreased operating costs; and increased appeal to investors and financial analysts.

**Profit Vs. business sustainability**

There are growing reports on incidences of organizations increasing the profit margins by unethical practices. Such incidents are result of organizations' focus on a higher profit drive than society. The cultural legacy of organizations should include profound spiritual values but also ethical business values expressed compactly in the dictum of ‘Fair and just Profit.’ When organizations make profit honestly supplying goods and services to society, it implies that society gains since the benefits exceeds the costs incurred to produce the good or service precisely by the amount of profit. The fair and just profit is an important corporate social responsibility contributing to business sustainability.

**Business sustainability contributes to sustainable tomorrow**

Profits become a-posteriori indicators of business performance rather than as long-term goals; they are viewed as the means to keep companies going concerns and not as ends-in-themselves. Profit leads to continuity and growth of business and contributing to its long-term existence. A sustainable business can only be the one to contribute high to the society but without business sustainability and an intention of contribution, sustainable tomorrow is questionable. Organizations reaches its zenith when they realize that long term business profitability results from business models that address social problems in a sustainable way. Sustainability is virtuous cycle that constitutes sustainable society, sustainable business and sustainable tomorrow.

**CSR is beyond obeying law**

Obeying the law is necessary but not sufficient condition for practicing CSR. It is a voluntary decision that the entrepreneurial leaders of every company must make on its own and bring it to practice by engaging all its stakeholders. An attempt has been made by the Indian government in the form of Companies Bill, 2012 to make CSR mandatory. For an organization to ingrain CSR in
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its DNA and act as a responsible business entity, it is important to view CSR in a holistic way by linking it with its long term business plan with a philosophy of CSR beyond law.

**CSR tool for inclusive growth**

Inclusive growth basically means broad based growth, shared growth and pro-poor growth. The concept holds a tremendous relevance in today's world of growing disparity. The growing disparity between shining ‘India’ and shrinking ‘Bharat’ has raised questions on government policy of inclusive growth. CSR is one such tool which can be considered as a mechanism towards sustainable inclusive growth. CSR programme in areas like education, health, livelihood creation, skill development, empowerment of disabled woman are common practices adopted by the companies in India. Almost all major companies in India have a CSR programme in areas like education, health, livelihood creation, skill development, empowerment of disabled and woman. These include the Maharatna, Navratna and Miniratna public sector organizations along with private sector such as Tata Group, Infosys, Mahindra and Mahindra, Bharti Enterprises, Coca Cola India Pvt Ltd, Pepsico, ITC Welcome Group, Johnson & Johnson Ltd, NASSCOM Foundation, Thermax Limited, Hero Honda and others.

**Role of corporate for sustainable inclusive growth**

In order to understand the role of corporate for sustainable inclusive growth through CSR, a framework is developed to map the inclusive growth parameters with CSR interventions.

**Poverty alleviation**

The organizations are required to encourage poor and needy and enhance opportunity for employment. Companies should take up initiatives for women empowerment also encouraging entrepreneurship though partnering and initial funding. Educating mass on population control is a necessary act as education leads to controlled population which supports individuals for better opportunity and living standards.

**Environmental sustainability**

Over the years, awareness of the environmental impacts of human activity has increased significantly. There is growing public expectation that companies should recognize their social and environmental responsibilities toward society and adjust their business practices to improve the sustainability of their operations (Juholin, 2004; McIntosh et. al. 2003). Unplanned development
Figure 1: Framework for sustainable Inclusive growth
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has resulted to 23 percent beach erosion in India (NDTV, 2011). Such vital issues are not just the responsibilities of the organizations but of the government too. Well defined infrastructure supports the cause of sustainability. It is not just the story of coast but forests too. Disaster and calamities management is another area which needs high support from industries as research and technology infrastructure requires excessive funding. Corporate can set up or support such bodies to operate for working for disaster and calamities management.

Education

Education for sustainability is a lifelong learning process that leads to informed and involved citizens having scientific and social literacy, and commitment to engage in responsible individual and cooperative actions. These actions help ensure an environmentally sound and economically prosperous future. The education system should aim at holistic learning. Corporations now have realized the need for having focused institutions which can build base for a holistic learning of individuals leading to a contribution to a developed society. Social literacy being the main objective companies can focus on building more education infrastructure for primary education, health education, higher education and vocational courses.

Executive coaching and training

It is important that the organizations focus on employee leadership development, team and individual coaching. Learned employees can contribute to higher socially responsible behavior wherein they can integrate their individual behavior to the organizational CSR objectives. Sustainable leadership is the most important requirement for sustainable CSR activities. Most organizations encourage and involve their people in CSR activities as well as initiate CSR practices at working premises like waste management, energy conservation. There is a scope for organizations to constitute an award for best employee social responsible behavior for encouraging individual responsibility in CSR. The organization can engage stakeholders by inviting suggestions for innovation in CSR practices and involve them through regular sharing of periodic review and CSR reports. Training employees for responsible business: Employee training and learning in the area of CSR is essential as it leads to higher involvement of employees (See Table 1.)

Health and food

Health facilities in many rural parts of India are not fulfilling the basic needs. UNICEF (2012) highlights that 50 percent of all childhood deaths are attributed to malnutrition. Organizations as a part of CSR can initiate to build primary medical facilities, advance medical infrastructure and sanitation facilities. These initiatives supported by health education to the masses enhance the basic
health and hygiene of people. Agricultural upliftment by encouraging more organized farming and provisions of irrigation facilitates. Educating farmers on agricultural issues and improved practices of farming leading to increase yield may help to solve the initial issues of availability of food, yet the challenge lies in availability of quality food at affordable rates.

Table 1: Knowledge areas the CR professionals need to develop

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance measurement &amp; reporting</td>
<td>13.00</td>
</tr>
<tr>
<td>CR reporting</td>
<td>11.00</td>
</tr>
<tr>
<td>Partnerships &amp; collaboration</td>
<td>10.00</td>
</tr>
<tr>
<td>Community engagement</td>
<td>9.00</td>
</tr>
<tr>
<td>Assessing environmental &amp; CR risk</td>
<td>7.00</td>
</tr>
<tr>
<td>Internal marketing &amp; employee engagement</td>
<td>6.00</td>
</tr>
<tr>
<td>Rebuilding corporate reputation</td>
<td>6.00</td>
</tr>
<tr>
<td>Managing supply chains</td>
<td>5.00</td>
</tr>
<tr>
<td>External marketing &amp; consumer engagement</td>
<td>5.00</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>4.00</td>
</tr>
<tr>
<td>Water ethics &amp; stewardship</td>
<td>4.00</td>
</tr>
<tr>
<td>Compliance with legislation</td>
<td>4.00</td>
</tr>
<tr>
<td>Dealing with climate change</td>
<td>4.00</td>
</tr>
<tr>
<td>Anti-corruption &amp; business ethics</td>
<td>4.00</td>
</tr>
<tr>
<td>Gender &amp; diversity in the workplace</td>
<td>3.00</td>
</tr>
<tr>
<td>Resource efficiency &amp; waste</td>
<td>2.00</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>2.00</td>
</tr>
<tr>
<td>Other</td>
<td>3.00</td>
</tr>
</tbody>
</table>

Source: Ethical Corporation Survey, May-June (2009)

**Infrastructure**

There is a rising concern of connectivity across the various parts of India. Though, India has developed in the last few decades yet; there is a rising need for organizations to contribute to the society by building roadways, bridges, developing Irrigation facility and power generation facilities. Companies have immense scope to invest on power generation through renewable sources like wind, water, nuclear, tide, solar. Establishing power plants with required infrastructure not only will contribute to the society through solving power issues but will also ensure smooth
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operation for organizations too. Investing on technology advancements in operations will reduce wastes and conserve energy with higher production and less pollution. Corporate can also contribute to societal development though infrastructure like community centers, old homes, hospitals and schools.

Sustainable policies and strategies

Organizations should integrate and align their CSR and Sustainability policies and activities with their business goals, plans and strategies (Department of Public Enterprises, 2013). Companies can frame CSR policies describing their vision, philosophy and approach to CSR. The policy guidelines can also highlight organizations commitment in terms of CSR spending, CSR project identification, implementation, monitoring and evaluation, reporting, impact and stakeholder engagement.

Findings

An attempt has been made to synergize inclusive growth framework with the CSR interventions of surveyed Oil and Gas CPSEs in India (Table 2.) Eleven broad areas have been mapped against seven Inclusive growth parameters.

On mapping the various CSR areas contributing to inclusive growth in the surveyed organizations, it was observed that most companies have taken various initiatives in the area of health, education, women empowerment, water management and livelihood generation. It is reflected from the present study that a number of organizations are not taking required initiatives in the area of Disaster Management. The trend of more frequent global natural disasters calls for greater initiative and participation by these organizations in the area of disaster management. It is a positive indicator that organizations have a CSR and sustainability policy which will help them to integrate CSR to sustainable business.

Few companies are reporting their CSR and sustainability initiatives to the extent of GRI but there are a good number of companies which have not adopted the practice of reporting. Reporting is important as it brings transparency and trust in the system. Reporting also enhances a company’s ability to integrate CSR, inclusive growth and sustainability into its business and decision processes through the identification of material issues, risks and opportunities. Organizations individually are doing great work but for a significant impact it is important for organizations to synchronize their CSR initiatives with a common agenda of sustainable inclusive growth.
Table 2: Synergizing Inclusive growth framework with CSR interventions

<table>
<thead>
<tr>
<th>Inclusive growth parameters</th>
<th>Parameters for analysis of surveyed organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty alleviation</td>
<td>Livelihood / skill development (L/SD)</td>
</tr>
<tr>
<td></td>
<td>Women empowerment (WE)</td>
</tr>
<tr>
<td>Environment</td>
<td>Environmental sustainability (ES)</td>
</tr>
<tr>
<td></td>
<td>Disaster management (DM)</td>
</tr>
<tr>
<td></td>
<td>Water management (WM)</td>
</tr>
<tr>
<td>Education</td>
<td>Education (E)</td>
</tr>
<tr>
<td>Sustainable policies and strategies</td>
<td>Sustainability reporting (SR)</td>
</tr>
<tr>
<td></td>
<td>Policy and plan document (PPD)</td>
</tr>
<tr>
<td>Executive coaching and training</td>
<td>Livelihood / skill development (L/SD)</td>
</tr>
<tr>
<td></td>
<td>Employee training in CSR (ET)</td>
</tr>
<tr>
<td>Health and food</td>
<td>Health (H)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Rural infrastructure development (RID)</td>
</tr>
</tbody>
</table>

CPSE approaches to CSR - Pre and Post CSR guidelines

Companies approach to CSR initiatives with respect to Oil and gas sector CPSE’s in India was studied FY 2011-12, 2012 – 13 compared to FY 2005 – 06, 2006- 07. Documents such as Annual reports, CSR initiatives of company, Sustainability reporting, CSR policy document and Sustainability policy document was studied on the parameters as given in Table 3.

CPSE’s have been undertaking a lot of community development initiative as part of their CSR from their very inception but the approach was not systematic and transparent. Introduction of the guidelines have paved a new way for CPSE’s in undertaking more relevant and need based CSR activities leading to inclusive growth. CSR definitely is a concept beyond law but as it is obvious from the above table that a systematic, integrated, project based approach with top management accountability and transparency in terms of reporting is a better approach to sustainable CSR.
Table 3: Reflection on the CSR approach of Central Public Sector Enterprises in India pre and post implementation of CSR guidelines

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Pre – guidelines Approach</th>
<th>Post – guidelines Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approach</td>
<td>Charity or philanthropy</td>
<td>As a strategic tool for sustainable Development in line with the business strategy</td>
</tr>
<tr>
<td>Business approach</td>
<td>Profit – centric</td>
<td>Triple bottom line approach</td>
</tr>
<tr>
<td>CSR policy</td>
<td>Companies did not have a well framed policy</td>
<td>Most of the Companies have a well framed policy passed by their board.</td>
</tr>
<tr>
<td>CSR spending</td>
<td>Voluntary</td>
<td>Mandatory and CSR fund is non lapsable. CSR Budget is passed by the board as per the guidelines</td>
</tr>
<tr>
<td>CSR spending mode</td>
<td>CSR spending was mostly in the form of donation and CSR initiatives were not identified through any baseline survey.</td>
<td>CSR spending is mostly implemented though project mode and projects is identified through proper baseline study.</td>
</tr>
<tr>
<td>CSR committee/ CSR Department</td>
<td>No separate CSR committee or CSR department</td>
<td>Two levels CSR committee.</td>
</tr>
<tr>
<td>CSR reporting</td>
<td>CSR was not reported</td>
<td>Companies have started reporting their CSR initiative in their annual report. Separate CSR and sustainability reports are available in many cases.</td>
</tr>
<tr>
<td>CSR impact assessment</td>
<td>Companies generally were not concerned to know the impact of their CSR project</td>
<td>Companies are conducting impact assessment of their projects.</td>
</tr>
<tr>
<td>CSR training</td>
<td>Companies did not send their executives for CSR training programmes</td>
<td>Most of the companies are spending on CSR training programmes</td>
</tr>
<tr>
<td>CSR reporting</td>
<td>Companies did not have any reporting practices.</td>
<td>Many companies are reporting to the extent of GRI.</td>
</tr>
<tr>
<td>CSR Documentation</td>
<td>Companies did not take necessary initiatives to document and promote their CSR initiatives.</td>
<td>Companies are documenting and promoting their CSR to build goodwill and acceptance among its stakeholders.</td>
</tr>
</tbody>
</table>
Private Sector approach towards CSR for Inclusive Growth in India

Three cases have been discussed showing the private sector CSR initiatives of organization bringing in inclusive growth.

FabIndia

It is a well-known retail brand that sells various handmade products through its stores across India and overseas. They are the best-known urban middle class brand in India. Though they are best known for home linen and garments, they have expanded into organic food, personal care products, furniture and jewelry. This company started as an export house, exporting Indian hand woven fabric to the developed markets in the west. In last 15-20 years, the company has completely transformed itself into a chain of retail stores with more than 90 percent of its revenues coming from domestic markets. The company sources products from communities that are traditionally well versed in a craft and make products using skills. They are not formally trained, but they inherit this knowledge from their families and continue to pass it to the next generations. They usually operate in a small geography and have very limited access to the broader markets.

ITC e-Choupal

The concept of e-Choupal was introduced by ITC in June 2000 as an initiative to improve the supply chain by linking directly with farmers for procurement. It was also designed to play the role of a social gathering place for the exchange of information as well as a place for e-commerce transactions. The concept which was started initially as a way to modify the procurement process for crops like soy and wheat, has now turned into a lucrative distribution and product development channel for ITC. The e-Choupals are operated by a sanchalak (operator), who also doubles up as an ITC salesman. A farmer can visit the kiosk and show a sample of his produce to the sanchalak, who gives him a quote. If the farmer finds the quote attractive, he can take the produce to an ITC collection centre and receive payment within two hours. The e-Choupal also provides other information to the farmer, including crop-prices, weather and knowledge on scientific farming techniques.

Tata Steel

Tata Steel Rural Development Society (TSRDS) is involved in various social development programmes aimed at helping the rural communities living around the Tata Steel operational units. TSRDS has seven operating units and covers 600 villages. Its core interventions include livelihood generation, health and people empowerment and the other interventions are Tribal Culture,
Agriculture, Sports and Environment. Tata Steel TSRDS takes initiatives for empowering women by forming self help groups and making them aware of sustainable livelihood by providing income generating activities to women. These women basically belong to poor, backward castes who were earlier only housewives. TSRDS supports the Self Help Groups at all levels starting with the formation of SHG, saving and loan mobilization, income generation programme inclusive of marketing linkages to ensure sustainability of enterprise. It provides income generating activities such as small business like pottery, poultry, mushroom cultivation, leaflet making, vegetable farming, saura painting and phenyl making. TSRDS has adopted small saving and micro enterprise to empower women and build their capacity to supplement their family income.

**Conclusion**

CSR information about companies reinterprets or redefines the social responsibilities of business to conform to the need of the society. For sustainability, organization should address its responsibility to the community, environment and public, ensures ethical behaviors and practices good citizenship.

Nine CPSEs of India has been studied to interpret the wide arena of CSR in India and it is identified that Indian CPSEs are working in diversified areas and have the capability to make a positive change in the life of local community. There are 249 CPSE’s and thousands of private sector companies/ MNC’s operating in India. Considering the huge volume of budget towards CSR by these companies there is an immense scope and enormous funds that can be channelized to meet the unmet needs of society.

India has realized the need for sustainable development and looks at CSR as a tool for sustainable business linked to sustainable development. However, India is also aware of the fact that sustainable development needs to be all inclusive. It is also clear that this view point is emphasized from the fact that the Companies Bill, 2012 passed in the Lok Sabha has made CSR mandatory. Infact the DPE guidelines on CSR has made mandatory for public sector enterprises to execute CSR projects in the backward districts of India listed by the Planning Commission. Through integrated, planned and project based CSR initiatives, one can create opportunities for every Indian to participate in the growth process and benefit from it. It is time that every organization has to reflect on CSR and focus on bringing in India’s growth that can become more inclusive.
Corporate social responsibility in India for a sustainable inclusive growth

References


Corporate social responsibility in India for a sustainable inclusive growth

Oil and Natural Gas Corporation Ltd. (2006). Annual report 2005-06. New Delhi: Oil and Natural Gas Corporation Ltd.
Corporate social responsibility in India for a sustainable inclusive growth

Annex 1: CSR interventions of Oil and Gas CPSEs in India towards Inclusive Growth

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